



OFFICE OF SUPPLIER DIVERSITY

Small Business Focus (SBF) Certification Application

HOW TO CALCULATE "FTE"

The eligibility guidelines for the SBF certification are included on this chart. The size eligibility criteria are based upon one or all of the following three year averages: (1) gross sales, (2) number of full-time equivalents (FTEs or employees), or (3) both. The Small Business Focus Program is for business enterprises that are 50% of the SBA¹ and Delaware DOT DBE size caps for the smallest size cap in each industry sector. Those numbers are identified in the chart above.

Small Business Certification Industries	NAICS ² sectors* (initial code numbers)	Small business eligibility and graduation point size caps	
		FTE (full time equivalents)	Gross sales
		Based upon a 3 year average	
Architecture & Engineering Services	541 237	none	< \$3,500,000
Construction	23	< 250	< \$7,000,000
Manufacturing	31 32 33	< 250	none
Retail	42 44 45	< 25	< \$3,500,000
Service	various	< 50	< \$3,500,000
Wholesale	42	< 50	none

The SBF application requires that you list gross receipts and FTEs for the last three years:

Year ending	Gross Sales	FTEs*

*FTE means Full Time Equivalent and equals 2,080 hours per year or less, per employee. For folks who work more than 2,080 hours each year, you only count 2,080. Otherwise count all hours of each worker – tally them, and divide by 2,080. That number is then rounded down to a whole number, your FTE number.

HOW TO CALCULATE "FTE":

ABC Company has 10 employees plus the owner. In year 2016 they worked as follows:

Owner works 60 hours a week	50 weeks each year (2 weeks' vacation)	= 3,000 hours	only count 2,080
3 full time employees work 40 hours a week	50 weeks (2 weeks' vacation each)	= 2,000 each, 6,000 total	count all 6,000
7 part time employees all working various hours	the payroll records totals 7,380 hours, no one worked more than 2,080 hours	= 7,380 total	count all 7,380
			Total = 15,460
			7 FTEs

Add: (the owner 2,080) + (the 3 full timers 6,000) + (staff 7,380) = 15,460 total hours and divide by 2,080 (1 FTE). (15,460/2,080 = 7.43) then round down to the nearest whole number = 7. The results is 7 FTEs for ABC Company. Now take a moment to determine your FTEs for each of the past three years and fill in the chart.

¹ SBA size cap information is located at: <http://www.sba.gov/content/table-small-business-size-standards> in PDF or excel formats.

² North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. A NAICS code has 6 digits. The first 2 to 3 digits are used to identify the industry for the SBF. You can review NAICS at: <http://www.census.gov/eos/www/naics/>